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WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

SIXTH MEETING  
Harare, Zimbabwe  
September 15 - 20, 1986

WCED/86/24

BUDGETARY AND FINANCIAL MATTERS

Action required: for Discussion

September 1, 1986

W0092s/1.9.86

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

SIXTH MEETING  
Harare, Zimbabwe  
15 - 20 September, 1986

WCED/86/24

BUDGETARY AND FINANCIAL MATTERS

BALANCE SHEET AS AT 31 AUGUST 1986 AND COMPARISON OF  
EXPENDITURE INCURRED AS AGAINST BUDGET

1. To assist the Commission in its ongoing review of the financial performance of the Commission, the following documents are attached:
  - A Balance Sheet as at 31 August, 1986 (ANNEX 1); and
  - A summary schedule of expenditure and income for the first eight months of 1986 and cumulatively for the period from inception of the Commission to the end of August 1986 as compared to the Revised Budget adopted by the Commission at its meeting in Sao Paulo. (ANNEX 2)
2. You will note from ANNEX 2 that -in spite of the exchange loss we incurred - expenditure during the first eight months of this year has been significantly under that budgeted for the same period. This is due, in part, because we cancelled the Commission meeting planned for January and also because we have continued to reduce expenditures wherever possible, especially on programme work (less panel and expert meetings except if financed by outside parties) and on the Geneva secretariat (less travel and less office expenses), have reduced and delayed expenses for public information and the final report and have dropped the popular version of the final report. Cumulative expenditure from inception until the end of August 1986 has also been under Budget. More importantly, however, you should note that our income for the first eight months of 1986 and cumulatively from inception are both over budget and that for this reason we were able to avoid the deficit foreseen in the Sao Paulo budget for the present period and forestall a serious cashflow crisis.

CASHFLOW PROJECTION FOR THE PERIOD 1 SEPTEMBER, 1986 TO 31 DECEMBER, 1986

3. To illustrate the timing and extent of the Commission's funding needs during the remainder of its operations, we have prepared and attached as ANNEX 3 a cashflow projection which sets out (i) the details of all expenditures incurred to date, (ii) a detailed month-by-month forecast of the minimum expenditures which will need to be made during the period 1 September 1986 to 31 December 1987 if the Commission is to complete its mandate as approved at the Inaugural Meeting, (iii) the income we have received from inception to the end of August, 1986 and (iv) the income we can be reasonably certain to receive between the 1st of September, 1986 and the end of 1987. In comparing the attached cashflow forecast to the Cashflow Forecast presented to the Commission in Canada in May, you will note that:
- Staff costs continue to decline due to a further reduction of staff (from 10 professionals and 8 support staff at the time of the last Commission Meeting to the present 9 professionals and 7 support staff with further graduated reductions through to October 87).
  - Since the Canada meeting, our projected income has increased by \$393,787 (While we have received additional pledges of \$422,000 since Canada, we have also had to reduce the amount of others, i.e., Cameroon from \$15,000 to \$5,000 and, as a result of a drop in the exchange rate, Canada from \$130,000 to \$111,787).
  - Our projected expenditures have increased by \$338,008, due in part to extending the Commission's operations (on a minimal basis) through the month of December, 1987, but principally to take account of a further projected exchange loss during 1987 of approximately \$300,000.
  - As a result, our projected total shortfall through to the end of 1987 is now \$1.4 million - virtually unchanged from that reported in Canada.

While our short term cash flow problem eased during the period since the Canada meeting (thanks to the early disbursement by some governments of their 1987 grants and to the receipt of additional funds) we are still \$301,896 short of funds to carry us through to the end of this financial year and \$1,113,089 short of funds for 1987.

#### FUNDRAISING EFFORTS AND RESULTS

4. Fundraising efforts have continued since the Canada meeting; and as a result of the efforts of the Chairman and others, we have been successful in locating an additional \$422,000 of pledges since that meeting: \$100,000 from NORAD, \$100,000 from Denmark, \$122,000 from Switzerland, and \$100,000 from the U.S.S.R. (which amount represents the cost of travel, accommodation and conference facilities and services to be provided for the Moscow meeting).
5. Attached as ANNEX 4 is a schedule listing all contributions pledged and received, those pledged but not yet received and those requested but not received, all as of the end of August, 1986. From that schedule you will note that we have now received contributions of \$4,793,603 and have pledges for an additional \$911,000 for a total of \$5,704,603.
7. Notwithstanding the success of our recent fundraising efforts, we are still short of the funds needed (\$1,414,985) to cover our anticipated expenditures. In that regard, decisions are expected shortly on the funding requests of \$250,000 each made to the Carnegie and Alton Jones Foundations and on those made to Spain (\$50,000), Portugal (\$50,000) and the Krupp Foundation (\$90,000). We have also been advised that the EEC has requested a grant of \$200,000 from its budget authority and we are hopeful that approval will be forthcoming for that contribution. In addition, we are hopeful of obtaining additional contributions in 1987 from the Ford and MacArthur Foundations, as well as from Canada, Finland, the Federal Republic of Germany, and Saudi Arabia. Finally, it should be noted that in the course of the next several weeks, funding request are also to be made on behalf of the Chairman to a group of European governments which have not as yet pledged any support to the Commission, i.e., Austria, Belgium, France, Italy and the U.K.
8. Were we to be successful in obtaining all of the contributions we consider as reasonably possible in 1986 and 1987 (a list of which is set out in ANNEX 3), we would receive sufficient funds to complete our mandate. It is therefore important that our efforts be concentrated on obtaining those possible contributions and a discussion on how this should be done will take place during the meeting in Harare.

## WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

## BALANCE SHEET AS AT 31 AUGUST 1986

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ASSETS

CASH AND BANK (WCED)	US\$	282,412
ACCOUNTS RECEIVABLE	"	4,855
<u>SAVINGS ACCOUNT WCED STAFF</u>		
- current account	\$ 14,388	
- Time deposit	\$ 238,298	252,686
<u>TOTAL ASSETS</u>		539,953
		=====

LIABILITIES

STAFF PROVIDENT FUND	252,686
ACCOUNTS PAYABLE AND ACCRUALS	8,550
PROVISION FOR RUN-DOWN COST	90,000

SURPLUS

(Difference between income received to-date over expenditure incurred)

DEFICIT AS AT 1.1.1986	US\$ (105,393)	
Surplus 1.1.-31.8.86 *)	US\$ 294,110*)	
<u>SURPLUS AS AT 31.08.1986</u>		188,717
		539,953
		=====

\*) for details see attached statement of income and expenses.

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT  
SUMMARY OF INCOME AND EXPENDITURE  
(in US\$)

	<u>REAL</u> JAN-AUGUST 1986	SAO PAULO <u>BUDGET</u> JAN-AUGUST 1986	<u>REAL</u> Inception to AUG. 86	SAO PAULO <u>BUDGET</u> inception to AUG. 86
<b>EXPENDITURE</b>				
- SECRETARIAT GENEVA	802,775	1,008,000	2,876,171	2,926,907
- OSLO OFFICE	27,541	34,800	100,750	108,485
- COMMISSION MEETINGS	152,665	322,000	814,592	931,586
- PROGRAMME WORK/KEY ISSUES	152,727	285,750	573,554	744,776
- SPECIAL COMMITTEES	6,789	13,600	33,637	41,952
- FINAL REPORT, FILMS, GEN				
PUBLIC INFORMATION	31,288	85,800	97,044	170,212
- EXCHANGE LOSS	177,684		177,684	
<u>Total Expenditure</u>	<u>1,351,469</u>	<u>1,749,900</u>	<u>4,673,432</u>	<u>4,923,918</u>
<b>INCOME</b>				
- Contributions	1,645,549	1,430,000	4,793,603	4,523,054
- Interest	30		39,480	131,515
- Exchange gain			29,066	
<u>Total Income</u>	<u>1,645,579</u>	<u>1,430,000</u>	<u>4,862,149</u>	<u>4,654,569</u>
<u>Result (Shortfall)</u>	<u>294,110</u>	<u>(319,950)</u>	<u>188,717</u>	<u>(269,349)</u>
0021s/31.8.86				

## CASHFLOW

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INCEPTION TO  
31 AUGUST 1986  
PAYMENTS MADE1986  
PROJECTIO  
=====

SEPTEMBER

## EXPENDITURES:

## 1. SECRETARIAT GENEVA

a) STAFF COSTS	2,102,561	95,9
b) TRAVEL/REPRES. EXPENSES	89,013	3,2
c) OFFICE EXPENSES	594,597	7,0

TOTAL SECRETARIAT GENEVA	2,786,171	106,1
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2. SECRETARIAT OSLO	102,629	3,6
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3. SPECIAL COMMITTEES	33,637	
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## 4. COMMISSION MEETINGS

- ORG. MTG GENEVA MAY 84	90,479	
- INAUG. MTG GVA OCT 84	70,519	
- JAKARTA MARCH 1985	149,879	
- OSLO JUNE 1985	168,982	
- SAO PAULO OCTOBER 85	180,644	
- CANADA MAY 1986	123,820	35,0
- NEXT MEETINGS	33,241	80,0

TOTAL COMM. MEETINGS	817,534	115,0
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## 5. KEY ISSUES

- KI-1 PERSPECTIVES	15,869	
- KI-2 ENERGY	98,717	12,0
- KI-3 INDUSTRY	92,211	1,5
- KI-4 FOOD SECURITY	136,934	1,5
- KI-5 HUMAN SETTLEMENTS	38,519	3,5
- KI-6 ECONOMIC RELATIONS	31,557	
- KI-7 DECISION SUPPORT	28,212	12,0
- KI-8 INTL COOPERATION	105,933	27,5
- KI-9 SECURITY	8,700	
- KI-10 MARINE POLLUTION	8,750	

TOTAL KEY ISSUES	565,004	58,0
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6. MANDATE GEN PUB INFORM	64,192	6,0
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7. FINAL REPORT OFFICIAL	2,852	4,8
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8. FINAL REPORT POPULAR	0	
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9. FILMS (KEEFE, GRUBIN)	30,000	
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TOTAL BEFORE EXCH. LOSS	4,402,019	293,6
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10. EXCHANGE LOSS	177,684	35,1
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TOTAL EXPENDITURE	4,579,703	328,76
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## INCOME

1. CONTRIBUTIONS	4,793,603	300,00
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2. INTEREST & EXCH. GAINS	68,512	
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3. SURPLUS (DEFICIT)		282,41
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CARRIED FORWARD		
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TOTAL INCOME	4,862,115	582,41
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SURPLUS/ (DEFICIT)	282,412	253,65
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INCEPTION TO DATE

SEPTEMBER

1984, 1985 AND 1986  
PLEDGED AND PAID

BRAZIL	50,000
CANADA	521,276
CHILE	5,000
DENMARK	250,000
FED. REPUBLIC OF GERMANY	70,255
FINLAND	100,000
HUNGARY	16,000
INDONESIA	50,000
JAPAN	1,500,000
NETHERLANDS	300,000
NORWAY	531,565
SULT. OF OMAN	15,000
SAUDI ARABIA	100,000
SWEDEN	750,000
SWITZERLAND	178,724
S I D A SWEDEN	105,783
MACARTHUR FOUNDATION	250,000
	4,793,603

## PLEDGES 86:

FORD FOUND.	200,000
NORAD	100,000
CAMEROUN	5,000
USSR	100,000
	405,000

## PLEDGES 87

JAPAN	250,000
SWITZERLAND	122,000
NETHERLANDS	100,000
HUNGARY	34,000
	506,000

## POSSIBLE 86:

ALTON JONES	250,000
CARNEGIE	250,000
SPAIN	50,000
PORTUGAL	50,000
KRUPP	90,000
	690,000

## POSSIBLE 87:

MACARTHUR	250,000
FORD	250,000
EEC	200,000
GERMANY	90,000
SAUDI ARABIA	100,000
CANADA	200,000
FINLAND	50,000
	1,140,000

31 AUGUST 1986  
CASHFLOW.SHOFORD 200  
NORAD 100



1986 PROJECTION =====		ALL FIGURES IN US-DOLLARS =====				1987 =====	
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL REMAINDER 1986		JANUARY	FEBRUARY
<hr/>							
95,950	66,100	72,400	58,350	292,800		64,150	74,800
3,200	2,700	2,700	2,700	11,300		5,300	3,800
7,000	22,000	21,000	22,000	72,000		21,000	41,000
<hr/>							
106,150	90,800	96,100	83,050	376,100		90,450	119,600
<hr/>							
3,650	3,650	3,650	3,650	14,600		4,400	4,400
<hr/>							
0	0	0	0	0		0	0
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				0			
				0			
				0			
				0			
				0			
35,000				35,000			
80,000	87,000		161,000	328,000			250,000
<hr/>							
115,000	87,000	0	161,000	363,000		0	250,000
<hr/>							
				0			
12,000				12,000			
1,500				1,500			
1,500				1,500			
3,550				3,550			
				0			
12,000				12,000			
27,500				27,500			
0				0			
				0			
<hr/>							
58,050	0	0	0	58,050		0	0
<hr/>							
6,000	6,000	1,000	1,000	14,000		1,000	1,000
<hr/>							
4,800	3,300	3,100	21,900	33,100		21,900	21,900
0	0	0	0	0		0	0
<hr/>							
				0			
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293,650	190,750	103,850	270,600	858,850		117,750	396,900
35,111	29,949	31,818	33,580	130,458		36,077	45,008
<hr/>							
328,761	220,699	135,668	304,180	989,308		153,827	441,908
<hr/>							
300,000	5,000		100,000	405,000		222,000	250,000
282,412	253,651	37,952	-97,716	282,412		-301,896	-233,723
<hr/>							
582,412	258,651	37,952	2,284	687,412		-79,896	16,277
<hr/>							
253,651	37,952	-97,716	-301,896	-301,896		-233,723	-425,631
<hr/>							
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL 86		JANUARY 87	FEBRUARY
FORD 200	CAMEROUN 5		USSR 100		PLEDGES 87:	SWITZ. 122	JAPAN 250
NORAD 100	=====		=====			NETH. 100	=====

MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
46,850	38,250	35,250	35,250	31,800	31,800	42,950	27,250	27,250
3,800	3,800	3,800	3,800	5,100	3,600	3,600	3,600	3,600
7,000	18,500	17,500	13,500	3,500	20,500	3,500	13,000	13,000
57,650	60,550	56,550	52,550	40,400	55,900	50,050	43,850	43,850
4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
0	0	0	0	0	0	0	0	0

	20,000	20,000	20,000	20,000	20,000	20,000		
0	20,000	20,000	20,000	20,000	20,000	20,000	0	

0	0	0	0	0	0	0	0	0
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
21,900	66,400	4,800						
0	0	0	0	0	0	0	0	0

84,950	152,350	86,750	77,950	65,800	81,300	75,450	49,250	37,250
26,027	46,677	26,579	23,883	20,160	24,909	23,117	15,089	11,089
110,977	199,027	113,329	101,833	85,960	106,209	98,567	64,339	48,339

	34,000							
-425,631	-536,608	-701,635	-814,964	-916,796	-1,002,756	-1,108,965	-1,207,532	-1,271,871
-425,631	-502,608	-701,635	-814,964	-916,796	-1,002,756	-1,108,965	-1,207,532	-1,271,871
-536,608	-701,635	-814,964	-916,796	-1,002,756	-1,108,965	-1,207,532	-1,271,871	-1,320,000
MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER

1987  
TOTAL  
=====

TOTAL INCEPTION TO  
END 1987  
=====

NOVEMBER

DECEMBER

## SECRETARIAT GENEVA

STAFF COSTS  
TRAVEL/REPRES. EXPENSES  
OFFICE EXPENSES

TOTAL SECRETARIAT

TOTAL OSLO

SPECIAL COMMITTEES

COMMISSION MEETINGS

ORG MTG GENEVA MAY 84  
INAUGURATION GVA OCT 84  
JAKARTA MARCH 85  
OSLO JUNE 85  
SAO PAOLO OCTOBER 85  
CANADA MAY 1986  
NEXT MEETINGS

TOTAL COMM. MEETINGS

## KEY ISSUES

- KI-1 PERSPECTIVES  
- KI-2 ENERGY  
- KI-3 INDUSTRY  
- KI-4 FOOD SECURITY  
- KI-5 HUMAN SETTLEMENTS  
- KI-6 ECONOMIC RELATION  
- KI-7 DECISION SUPPORT  
- KI-8 INTL COOPERATION  
- KI-9 SECURITY  
- KI-10/MAR POLLUT.

TOTAL KEY ISSUES

MANDATE/GEN PUB INFORM

FINAL REPORT OFFICIAL

FINAL REPORT POPULAR

FILMS (KEEFE, GRUBIN)

TOTAL BEFORE EXCH. LOSS  
10. EXCHANGE LOSS

TOTAL EXPENDITURE

CONTRIBUTIONS  
INTEREST EXCH. GAINS  
SURPLUS (DEFICIT)  
CARRIED FORWARD  
TOTAL INCOME

SURPLUS/(DEFICIT)

1987  
TOTAL  
=====TOTAL INCEPTION TO  
END 1987  
=====

NOVEMBER

DECEMBER

## SECRETARIAT GENEVA

STAFF COSTS  
TRAVEL/REPRES. EXPENSES  
OFFICE EXPENSES

TOTAL SECRETARIAT

TOTAL OSLO

SPECIAL COMMITTEES

COMMISSION MEETINGS

ORG MTG GENEVA MAY 84  
INAUGURATION GVA OCT 84  
JAKARTA MARCH 85  
OSLO JUNE 85  
SAO PAOLO OCTOBER 85  
CANADA MAY 1986  
NEXT MEETINGS

TOTAL COMM. MEETINGS

## KEY ISSUES

- KI-1 PERSPECTIVES  
- KI-2 ENERGY  
- KI-3 INDUSTRY  
- KI-4 FOOD SECURITY  
- KI-5 HUMAN SETTLEMENTS  
- KI-6 ECONOMIC RELATION  
- KI-7 DECISION SUPPORT  
- KI-8 INTL COOPERATION  
- KI-9 SECURITY  
- KI-10/MAR POLLUT.

TOTAL KEY ISSUES

MANDATE/GEN PUB INFORM

FINAL REPORT OFFICIAL

FINAL REPORT POPULAR

FILMS (KEEFE, GRUBIN)

TOTAL BEFORE EXCH. LOSS  
10. EXCHANGE LOSS

TOTAL EXPENDITURE

CONTRIBUTIONS  
INTEREST EXCH. GAINS  
SURPLUS (DEFICIT)  
CARRIED FORWARD  
TOTAL INCOME

SURPLUS/(DEFICIT)

506,000  
05,704,603  
68,512

CONTRIBUTIONS  
INTEREST EXCH. GAINS  
SURPLUS (DEFICIT)  
CARRIED FORWARD  
TOTAL INCOME

SURPLUS/(DEFICIT)

506,000

5,773,115

-1,113,089

-1,414,985

TOTAL 87

TOTAL INCEPT. TO 87

NOVEMBER

DECEMBER

Schedule of Financial Resources and Fundraising  
as at  
31 August 1986

Pledged and Received		Pledged but Not Received		Requested but not pledged or received	
Country	Amount	Country	Amount	Country	Amount
Brazil	US\$ 50,000*	Cameroun	US\$ 5,000	138 UN member	
Canada	US\$ 521,276	Hungary	US\$ 34,000	countries	US\$ 9,930,000
Chile	US\$ 5,000	Netherlands	US\$ 100,000		
Denmark	US\$ 250,000	Japan	US\$ 250,000	US Foundations	
Fed.R.Germany	US\$ 70,255	Switzerland	US\$ 122,000	and others	US\$ 1,500,000
Finland	US\$ 100,000	USSR	US\$ 100,000		
Hungary	US\$ 16,000	Ford Found.	US\$ 200,000	EEC	US\$ 200,000
Indonesia	US\$ 50,000*	NORAD	US\$ 100,000		
Japan	US\$1500,000				
Netherlands	US\$ 300,000****				
Norway	US\$ 531,565**				
Oman	US\$ 15,000				
Saudi Arabia	US\$ 100,000				
Sweden	US\$ 750,000				
Switzerland	US\$ 178,724***				
SIDA Sweden	US\$ 105,783				
MACARTHUR F.	US\$ 250,000				
Kuwait	*****				
Total US\$ 4,793,603		Total US\$ 911,000		Total US\$11,630,000	

- \* Have hosted a Commission Meeting and covered the related local costs estimated at approximately US\$ 50,000.
- \*\* Includes US\$150,000 to cover part of the cost of Oslo Meeting .
- \*\*\* Does not include SFr 600,000 of contributions in kind provided by the city of Geneva, i.e., the redecoration of the Palais Wilson and the furniture for our offices nor the value of rent-free premises for three years.
- \*\*\*\* Does not include a contribution of SFr 28,280 to cover the cost of an experts meeting on Environmental Law held in The Hague.
- \*\*\*\*\* Have hosted a Panel meeting on Energy held in Kuwait.